

105th Congress, 2d Session - - - - - House Document 105-325

PRESIDENT'S THIRD SPECIAL  
IMPOUNDMENT MESSAGE FOR 1998

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COMMUNICATION

FROM

THE ACTING COMPTROLLER GENERAL,  
THE GENERAL ACCOUNTING OFFICE

TRANSMITTING

A REVIEW OF THE PRESIDENT'S THIRD SPECIAL IMPOUNDMENT  
MESSAGE FOR FISCAL YEAR 1998, PURSUANT TO 2 U.S.C. 685



OCTOBER 19, 1998.—Referred to the Committee on Appropriations and  
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Comptroller General  
of the United States  
Washington, D.C. 20548

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B-280729

September 29, 1998

The Honorable Newt Gingrich  
Speaker of the House of Representatives

Dear Mr. Speaker:

On July 24, 1998, the President submitted to the Congress his third special impoundment message for fiscal year 1998. The message reports one proposed rescission of budget authority, number R98-25. We have reviewed the President's proposed rescission contained in the third special message.

Enclosure I provides specific information with regard to the President's proposal. Enclosure II lists the proposed rescission as submitted by the President in his special message.

Sincerely,

A handwritten signature in cursive script, appearing to read "James H. Anderson".

Acting Comptroller General  
of the United States

Enclosures

ENCLOSURE I

**COMMENTS ON PRESIDENT'S THIRD SPECIAL MESSAGE**

**DEPARTMENT OF INTERIOR**

**R98-25**

Minerals Management Service<sup>1</sup>  
Minerals Leasing and Associated Payments  
Amount Proposed for Rescission: \$5,200,000  
14X5003

The President proposes the rescission of \$5,200,000 in budget authority provided by section 503 of Public Law 105-83. In connection with the acquisition of the Crown Butte Mining Interests authorized by section 502 of Public Law 105-83, section 503 provides that the Secretary of the Interior shall convey to the State of Montana all right, title and interest of the United States to \$10,000,000 in Federal mineral rights in the State of Montana or Federal mineral rights in the tracts in Montana depicted as Otter Creek numbers 1, 2, and 3 on the Ashland map.

Parties who have mineral leases located on Federally-owned lands pay royalties to the Federal Government. The Minerals Management Service (MMS) collects these royalties from mineral leases. Each state, other than Alaska, is entitled to 50% of the royalties after MMS deducts its administrative expenses. The Federal Government pays the states their share of the royalties and deposits its share in the Treasury as miscellaneous receipts.

The President's proposal states that section 503 would result, most likely, in the conveyance of \$10,000,000 in Federal mineral rights by the Secretary of Interior to the state of Montana. As a result of this conveyance, the Federal Government would lose its share of royalty payments valued at \$5.2 million.

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<sup>1</sup>The President's third special impoundment message proposed this rescission from the Bureau of Land Management's account and reported the total budgetary resources as \$5,200,000. Since then, the Office of Management and Budget and the Department of Interior have informally advised us that the rescission properly should come from the Minerals Management Service in the Minerals Leasing and Associated Payments account.

The President cancelled this item under the Line Item Veto Act, Cancellation No. 97-76, November 24, 1997. The Supreme Court has since ruled that the Line Item Veto Act is unconstitutional.<sup>2</sup>

According to a letter apportionment schedule for the Minerals Leasing and Associated Payments account dated September 9, 1998, that account has total budgetary resources of \$591,527,000. The letter apportionment schedule also shows that \$5,200,000 are being withheld pending rescission. However, the rescission of \$5,200,000 from this account would not accomplish the repeal of section 503's mandate that the Secretary of Interior convey mineral rights to the state of Montana.

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<sup>2</sup>Clinton v. City of New York et al., 118 S.Ct. 2091 (1998).